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Address all inquiries to
The Editor, Marketing Activities
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The Holiday Outlook For 1948 Turkeys

By George B. Rogers

As the holiday season approaches a question many consumers will be asking is this: "Will I be able to get a turkey this year and if so, how much will I have to pay for it?" Part of that question can be answered directly. There will be no actual shortage of turkeys despite the fact that supplies are smaller than last year. However, because of record consumer income and relatively small chicken supplies, turkey prices are likely to be somewhat higher than they were a year ago.

The turkey has always been a festive bird but it looked, earlier this year, as if he would also be something of a rare bird. However, the outlook for consumers has brightened a good deal as the season has advanced.

Most producers were wary after last year's disappointing prices and the season began with 33 percent fewer breeding hens on farms. There were also large stocks in storage, but these diminished quickly with favorable demand. In addition, the feed outlook improved materially and, consequently, many producers changed plans hurriedly with the result that the June hatch was 74 percent larger than in the same month of 1947, and July was up 10 percent. Only a shortage of hatching eggs prevented a further increase in the late hatch. Favorable weather and low mortality rates also combined to aid the producers in their efforts to increase turkey production.

Few Stored Turkeys

As a result, instead of the 18 percent decrease in the number of turkeys raised indicated earlier, production is down only 10 percent from 1947--although the crop still amounts to the smallest in 10 years. Storage holdings of turkeys on October 1 totaled less than 15 million pounds, 24 million less than for the same date a year ago, and only half the 1943-47 average.

Despite the favorable margins above costs for storers of last year's crop, there is some question in many people's minds at this time as to whether storers will react as in the past by increasing their operations on the 1948 crop. Reluctance on the part of the trade to assume risks might lead to more turkeys moving into current consumption during the holiday seasons and relatively smaller quantities during the out-of-holiday months. Storage demand for the 1948 crop will depend to a considerable extent on the level of prices for turkeys attained on wholesale markets this fall. A small in-movement between September 1 and October 1 may have been due to short-time storage brought about by the unsettled early fall market. The heavy into-storage movement, however, usually occurs between October 1 and February 1, so the big decision is

still to be made. Irrespective of what happens in the storage picture this year, the bulk of the Nation's turkey crop, as in the past, will be marketed and consumed during the last quarter of the year.

On the producer and distributor side, things haven't looked as favorable recently as some think they should. Much of the uneasiness about this year's turkey markets probably is due to the behavior of turkey prices in recent weeks. In years past, however, the turkey market has often been unsettled during the initial phases of beginning the movement of the new crop.

The general decline in terminal market prices for both dressed (frozen and fresh) and quick-frozen eviscerated turkeys between mid-year and early fall this year was somewhat contrary to the usual historical price movements one would expect with such a relatively small crop. Usually quick-frozen eviscerated prices are steady to stronger from the time the marketing of good quality fresh-killed young birds is completed in the early months of the year until fall when new-crop, fresh-killed young turkeys become available in volume. Also, it usually holds true that unless storage stocks are very heavy and marketings of young birds unseasonally large, fresh-killed prices strengthen between mid-year and the pre-holiday period due to the gradual improvement in the quality of birds coming to market. Prices for young toms in the past have often shown more disposition to weaken than prices for young hens when a large crop is in prospect due to the more limited volume demand for heavy birds relative to potential supplies during heavy marketing months. The downward adjustments in prices this year, however, cannot be attributed to heavy volume.

Price Fluctuations

This year prices on Western dry-packed young hens at New York dropped 4 to 5 cents per pound in the July-October period, and prices on toms moved downward about 20 cents. During the summer and early fall, prices on young toms, contrary to the usual relationship, were considerably higher than on young hens. Some of the turkey price changes in recent weeks, therefore, were merely corrective.

In early September, the price for quick-frozen eviscerated young toms at New York was 80 to 83 cents per pound compared with 76 to 78 cents for young hens. By late October, the price of young toms had dropped to 72-73 cents per pound, while the price for young hens had remained fairly steady.

The price at the same market for dressed (not eviscerated) 1948-crop Western dry-packed toms has dropped even more. In early September young toms brought about 68 cents per pound--3 cents more than young hens. By late October, the price on young toms had gone down to 51-53 cents, while young hens still ranged between 59 and 62 cents per pound.

Meat prices have declined considerably in recent months and turkeys have followed this general trend. This weakening has resulted in a smaller movement of turkeys into storage and has caused storage operators

to be extremely cautious.

Statistically, there is little basis for the pessimism about this season's turkey market evidenced by some growers and distributors in recent weeks. This year's turkey crop is fairly small, storage stocks of turkeys are at a relatively low level, supplies of chicken are well below last year, consumer incomes continue large, and meat prices are at about the same levels they were a year ago. Moreover, when housewives start their holiday turkey buying in earnest, they are less likely to compare turkey and red meat prices than in other months.

Farmers are likely to get the highest prices on record for their 1948 turkey crop, although prices may not be as high as some anticipated. As of October 15, 1948, the average price received by farmers in the United States was 42.7 cents per pound, 8 cents higher than a year ago, and easily the highest on record for the month. Prices in all States were correspondingly higher than a year earlier.

December Prices Generally Higher

Farm and wholesale prices for the October-December period in the years since the control measures of the war do not present an entirely conclusive basis for predicting movements during the heavy marketing period. Turkey supplies and consumer demand were similar during the marketing season of 1946 and 1947. Farm and wholesale prices in 1946 were relatively higher at the start of the marketing season than at the end while for 1947 that situation was reversed. Prices this year may follow the 1947 pattern, for in the 10 years before 1946, December prices generally ranged higher than those of earlier months.

Retail price adjustments during the pre-holiday period are not unusual inasmuch as fresh-killed young turkeys are gradually replacing frozen dressed storage turkeys and quick-frozen eviscerated birds in retail outlets. Although prices to consumers probably will be somewhat higher than last year during the holiday season, it is quite possible that volume movement might enable some retailers to lower prices relative to those in the pre-holiday period.

With total turkey stocks lowest since 1943 and the turkey-feed price ratio the most favorable to growers since 1945, producers will be in a position to market when they choose. According to intentions expressed earlier in the season, however, producers planned to market 23.4 percent of their birds in October or earlier. If these intentions are realized this would amount to a 5-percent increase over last year's reported marketings as of this date. While the trend in recent years has been in favor of earlier sales, the more favorable turkey-feed price relationship and the unsettled early fall market may induce producers to alter their plans and hold their turkeys for feeding to heavier weights. If this happens, it would add to the total supplies available this fall.

The mentioning of larger turkeys usually brings up the question of whether or not the product is already too large for consumers. Producers are meeting this issue to some extent with the development of the

Beltsville White, a smaller, more nearly family-sized bird.

On the other hand, some housewives who hear of turkey shortages may wonder if the solution may not be found in half-turkeys, boned turkeys or turkey roasts and steaks. While this type of marketing has aroused considerable comment in recent years most turkeys are still sold as whole birds. During the summer months and in off-holiday periods the outlet for specialty marketing methods may sometime increase considerably.

Currently premium prices are paid for expertly dressed, individually wrapped turkeys. Many consumers will pay higher prices for the privilege of selecting their bird from local growers though this outlet probably is lessening in importance. In spite of possible changes in marketing practices most people are still sentimental about the handsome whole roast turkey as a symbol of plenty during the holiday season.

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COLD STORAGE CAPACITY UP 20 MILLION CUBIC FEET

Cold storage capacity in the United States increased by 20 million cubic feet, or about 4 percent, during the two years from October 1,1945, to October 1, 1947, according to a report released recently by the U.S. Department of Agriculture. A tabulation of 1,781 plants showed 497 million cubic feet of net storage space in the Nation compared with 477 million cubic feet in 1945. Approximately 303 million cubic feet were classified as public storage space; 107 million cubic feet as private and semi-private facilities; and 87 million cubic feet as meat-packing space.

More than a third of the increase in capacity space was in sharp freezer space which is held below zero degrees F. One-fourth of the increase was in space held at zero degrees F. to 29 degrees F.; and about two-fifths of the increase was in cooler space held at temperatures above 29 degrees F.

During the two-year period there was a net increase of 3 million cubic feet in the capacity of public general cold storage warehouses, not including public apple house storage space. However, within this net increase, space in public general warehouses held below 29 degrees F. expanded 5 million cubic feet, while there was a net loss of 2 million cubic feet in cooler space (29 degrees F. and above).

On the other hand, private and semi-private cold storage space increased 9 million cubic feet or about 30 percent during the two-year period. Some of this reported increase was occasioned by a reclassification of warehouses formerly operated as public warehouses as well as by new construction.

For the first time, the Pacific Coast States led other geographic regions with 114 million cubic feet; the Middle Atlantic States second with 110 million cubic feet, followed by the East North Central region with 102 million.

Wholesale Produce Handlers Need New Market Location

By William C. Crow

Ask any city cop where he finds the biggest traffic snarls. Chances are he'll tell you it's in the wholesale fruit and vegetable market district.

That's where you're likely to find two big trucks parked in a spot designed originally for a dray wagon. That's where you'll see truckers standing idly while they wait their turn to unload--or maybe you'll see the produce being stacked in the street--only to be lugged off again to a store or another truck. You'll see workmen carrying loads through narrow front doors and on into crowded buildings because there are no rear entrances. Likely you'll see some waste too, where fresh produce withers in the sun or bruises in its scuffle with too many handlers.

You'll guess that all this congestion and inefficiency is expensive, and like the rest of us, you're paying your share. The trouble is that we all grew up with these costs--like the cities themselves--and the extra expense has never been felt in one lump. But it has been a sizeable cost just the same. As expanding city populations have choked off streets and available building space, the volume of produce traffic has increased. In most of these situations no one has ever been able to do much about his own district and as a result additional wholesale centers have grown up in other parts of the city, thus leading to much cross-hauling by wholesalers and buyers who wish to bring together a complete line of perishables for their consumer.

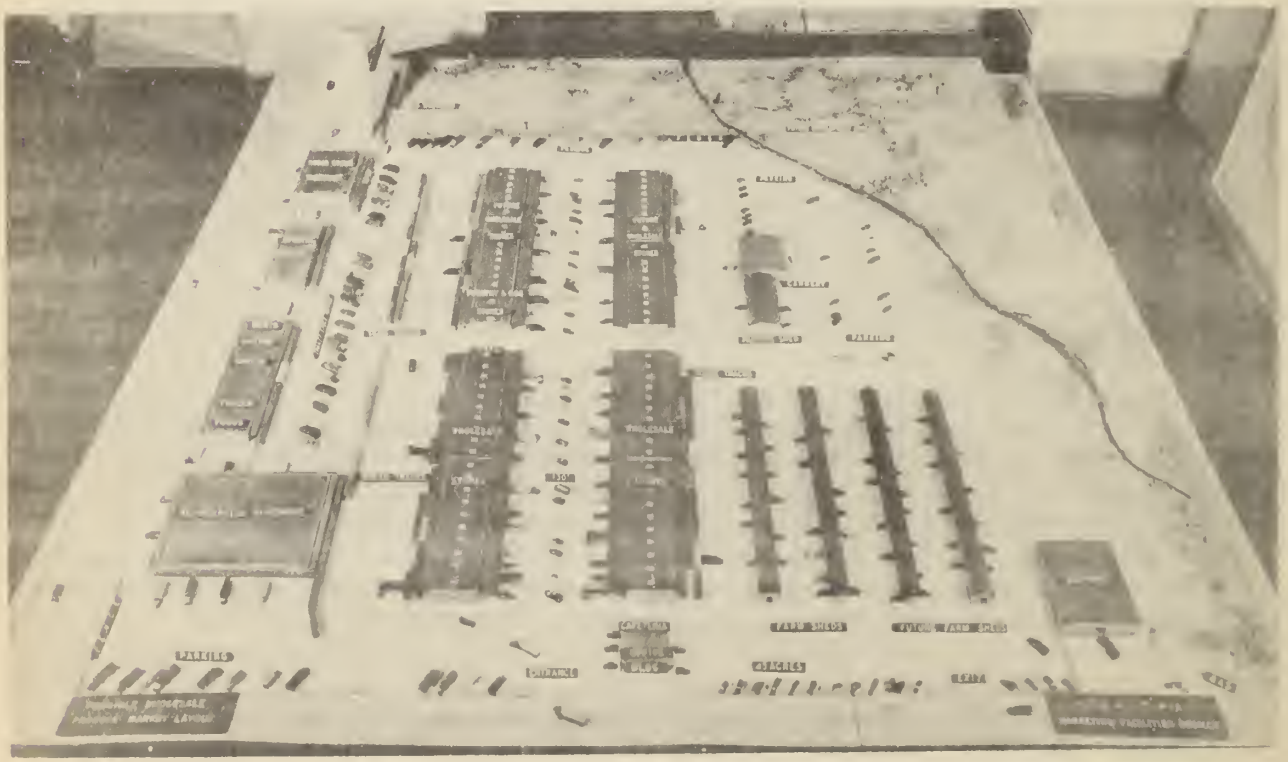
One-Story Buildings Best

These are old market districts where the buildings are often several stories high, and in the wholesaling business these upper floors are of little or no value. The congested sidewalks and streets interfere with their use by any other business and so they remain vacant and unsightly liabilities.

All this adds up to the situation which is most common today, and as such, it is a civic as well as a marketing evil which must grow progressively worse with the increasing consumption of fresh fruits and vegetables. Fortunately there is a brighter side to the picture. In at least 25 cities this problem of cramped, inefficient markets is being tackled by the industry itself with the assistance of local agencies and the Production and Marketing Administration of the U. S. Department of Agriculture.

In these cities it has been found that a new market center can be built and paid for out of savings from better handling methods, and still reduce the cost of distribution. It has been found that the problem

In a big hurry? You'd have your troubles in this wholesale center if you were. Yet it's no worse than most and it has more room than many.



This is an ideal market. It may not be possible to follow the lay-out of this Marketing Facilities Branch model everywhere, but the roomy streets, the handy rail and truck connections, the commodity grouping, and the service facilities are essential.

lends itself to self-liquidation if only enough foresight and initiative can bring about a complete overhauling of the wholesale marketing facilities.

In some cases the local Chamber of Commerce is taking the lead. This and other civic minded groups are realizing that the marketing service--like the water supply, the schools, the parks and the streets--cannot be neglected indefinitely. They are realizing that this inattention must be paid for in higher food costs, waste and spoilage, loss of business, serious traffic problems and the blighting of one or more areas in the city.

Every location will have its individual problem but enough progress and study has been made to do some pretty accurate figuring. Through its market district, an average city will handle the equivalent of about 40,000 carloads of commodities per year for every million population. Without adequate transportation facilities for this food, the welfare of our cities is not secured.

Wholesale Center Must Be Planned

An efficient wholesale produce district should have railroad connections over which cars can be delivered directly to the wholesale houses. All buildings should have both front and rear entrances. The streets should be more than 100 feet wide from curb to curb so trucks can park at right angles to the buildings. This will make it possible to load or unload the maximum number of trucks at one time. In addition, parking areas should be provided for idle trucks.

Within the one district, retailers should be able to get a complete line of perishable foods from all producing areas brought in by all methods of transportation. And since this kind of business is a one-floor, or at most a two-floor, operation, a great deal of land space is required. Produce, like coal and lumber, is bulky and if handling costs are to be cut down, wide-open spaces are essential. For this reason a location in the downtown business district is neither desirable nor necessary.

The best site is one which can be reached by all buyers in a minimum period of time, where land is inexpensive and rail facilities can be provided. These facilities can be built by public benefit corporations, non-profit private corporations, or by some governmental agency. In any case, however, it is desirable for the groups directly concerned with the operations of the market to have representation on its board of directors. Buyers, sellers, and tenants of the facilities should have utmost freedom in the conduct of their business within the facilities.

The planning, promotion and construction of proper market facilities is a difficult undertaking, and one that requires the combined efforts of many groups. Often it is necessary to find an alternative use for the area to be vacated. But the benefits to the city, the trade, the transportation agencies, the consumers, and the public generally, are so great that the effort to correct the present unsatisfactory conditions is fully justified.

Meat Animals: 1949

By Harold F. Breimyer

What happens to prices and supplies of meats and meat animals is of intense interest to producers and consumers alike. Why that should be true is apparent by reviewing a few pertinent statistics. For example, of every dollar the American farmer received from sale of his products in 1947, 30 cents came, on the average, from meat animals. And at the other end of the marketing system, meat takes close to one-fourth of all consumer expenditures for food, with total expenditures for meat exceeding the outlay for new automobiles.

The biggest story in the 1949 meat outlook is the abundant feed supply. Feed prices will be low relative to meat-animal prices. Livestock-feed price ratios for hogs and cattle will be nearly as high as ever before. Feeding margins in dollars probably will be large even with some decline in live-animal prices.

Yet the large feed supplies can hardly result in much increase in meat output in 1949. The biological facts in raising meat animals to slaughter age will prevent that. Furthermore, some of the beef and lamb produced from slaughter in 1947 and 1948 came at the expense of numbers on farms and ranches. Thus when 1949 prospects are appraised, we find the double handicap of fewer cattle and sheep in the nation's herds, and of having to make comparisons with years when meat output was expanded by slaughtering more animals than the number raised.

Fewer Cattle and Sheep

The output of beef, veal, lamb and mutton is likely to be smaller in 1949 than in 1948. The reduction will be sharpest if producers should nearly or fully check the decline in numbers of cattle and sheep on farms and ranches. To do this they will have to hold back animals, decreasing their marketings to maintain their herds more nearly at present levels. Likely they will move in that direction, particularly for cattle.

This expected reduction in other kinds of meat will just about be offset by larger pork production in late 1949. By all past relationships to feed supplies and price ratios, a sharp rise is due in the number of sows to farrow next spring. Even after allowing for the chance that much more corn than usual will be held through the feeding year rather than fed to livestock, the realization of the spring goal of 60 million pigs is quite possible. This would be a 17 percent gain over the 1948 spring pig crop. Of course, the big increase in hog slaughter and pork production from those spring pigs would come late in 1949.

The 1949 meat production is estimated as about the same as that of 1948. In this event, civilian consumption per capita would be between 140 and 145 pounds compared with 134 pounds in 1937-41, 155 pounds in 1947, and an estimated 145 pounds this year. For the first half of next year,

we see a little less meat than in the first part of 1948. However, summer meat output may be larger next year than this, and extra pork will provide more total meat supplies late in 1949 than is now anticipated for the remainder of 1948.

More of next year's meat will thus be pork and less will be beef and other kinds. A larger part of the beef probably will be of the better grades.

Wool prices, after remaining close to support levels for nearly two years, advanced materially in the summer of 1948. Prices are expected to average higher than the support level of about 42 cents in 1949, chiefly because of premiums for the finer qualities of wool. Wool stocks are down, and the finer qualities are expected to continue relatively scarce in 1949.

Demand Is Dominant Factor

Since meat supplies next year are not likely to be greatly different from 1948, changes in prices of meats and meat animals are expected to be due mainly to changes in demand. Even if meat and meat-animal prices should drop moderately in 1949, they would still be high by all past standards. The late fall run of hogs next year probably will bring a sharper seasonal price decline than usual. Also, the smaller output of beef may result in relatively higher average 1949 prices of beef and beef cattle than of pork and hogs.

Although 1949 will not be a year of much larger meat output, it could be the turning point in the current down-trend. This is especially probable if feed crops are large again next year. In that event a material increase in meat supplies, particularly pork, would be likely during 1950 and 1951.

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CCC GRAIN LOANS AND PURCHASE AGREEMENTS INCREASE

Increases in Commodity Credit Corporation loans and purchase agreements on 1948-crop wheat, oats, barley, grain sorghums, and rye were reported in late October by the Production and Marketing Administration of the U.S. Department of Agriculture.

The season totals through September 30 amounted to 171,647,536 bushels under loan, and 17,907,868 bushels under purchase agreements. The season totals through August 31 which were previously reported amounted to 94,842,988 bushels under loan, and 8,609,455 bushels under purchase agreements.

The figures are a compilation of loans and purchase agreements made by County Agricultural Conservation Committees for the CCC, and reported through State PMA committees.

Crop Movements and Car Shortages

By John C. Winter

Paced by billion bushel wheat crops, record production of small grain has presented some difficult marketing problems over the last 5 years. Among the worst has been the need for enough boxcars to get the grain to market or to storage at harvest. Time was--no farther back than 1941--when we had smaller crops and plenty of boxcars, but the huge carry-overs of wheat occupied so much of the terminal capacity that the difficulty was in finding storage for the new crops. World War II consumed those surpluses and removed the storage problem but created the demand for increased production which the farmers of the Nation have met so effectively. That, in turn, brought on the car shortages that have plagued farmers and the grain and allied trades not only at harvest time, but sometimes between harvest periods.

The Problem Is Attacked

The Marketing Facilities Branch, concerned both with transportation and warehousing problems, has worked with the railroads, the Office of Defense Transportation, the Interstate Commerce Commission, and others to minimize the effects of car shortages on the marketing of grain. With the cooperation of the Bureau of Agricultural Economics, and long before the harvests, surveys are conducted of prospective production and available storage facilities. On the basis of these studies estimates are made of what the demands for transportation will be in the various grain producing areas. Then, if a critical marketing situation is in prospect, arrangements are made through the PMA State offices, in cooperation with the Office of the Assistant Administrator for Production and the Grain Branch, to obtain weekly reports from each county in the critical areas during the harvesting period. Up-to-the-minute information on car requirements, numbers of cars furnished by the carriers during the preceding week, estimated county production and the amount yet to be harvested, amounts of grain on the ground on farms or at railroad stations, and precise data on critical points are collected. The county reports are summarized by the Marketing Facilities Branch, and the detailed information transmitted as quickly as possible to officials of the Office of Defense Transportation, Interstate Commerce Commission, and the Association of American Railroads, and through the latter to operating officials of the railroads. This reporting procedure continues as long as conditions require. The summaries are also sought and used by grain market committees, farm organizations, State public utility commissions, and others interested in grain marketing problems.

Reports of grain on the ground in danger of spoiling are relayed by telephone to the Association of American Railroads as soon as the reports are received, as are other situations considered to be in need of preferred attention. During the harvesting of the record wheat crops in 1947, for example, weekly reports from several hundred counties all the way from Texas to the Canadian border were received, the information analyzed, and passed to the carriers for action.

This year, while boxcar shortages were not as severe or of as long duration as in other recent years, the old storage problem returned to trouble farmers, elevator men, State marketing officials, and Department officials concerned with the marketing of wheat and other grains.

Winter Wheat Crop Large

In the first place, practically everybody got fooled about the size of the winter wheat crop until the farmers got into their fields. In areas where yields of 8 to 12 bushels per acre were expected, the land produced 15 to 20 bushels or more. Because of an early estimate of a winter wheat crop nearly 200 million bushels less than 1947, measures were not taken by the railroads to store as many cars on railroad lines in the Southwest in anticipation of the new crop movement. By the first of June 1948 the railroads had accumulated about 12,500 boxcars, but a large amount of old crop wheat, still on farms and country elevators, was rushed to terminals where most of it was stored, and that movement in 10 days cut the backlog of cars to approximately 6,000.

Then the new wheat started to move. Most of it, too, went into storage. This helped the car situation temporarily by keeping cars on the southwest railroads, thus shortening the turn-around time. With additional cars received from other lines, the railroads were able to meet equipment needs without too serious shortages and the terminals were fluid until the 4th of July week-end, when the peak of the movement hit and jammed the terminals to overflowing. Within a few days there were over 10,000 loaded cars in the Kansas City yards and others backed up for a hundred miles waiting to get to elevators.

To clear the congestion an embargo was declared on July 9, prohibiting the loading of any grain destined for Kansas City. When the elevators were able to catch up with the job of unloading cars and the yards were again fluid, it was found that between the grain stored in elevators and space which had been contracted for grain yet to arrive, not much capacity was left. Consequently, when the congestion was cleared, the embargo was not lifted, but was modified to permit the movement of grain to terminals only when it was for sale, or when the shipper certified that arrangements for storage space had been made. The condition was then common to all southwestern markets and the modified embargo was applied to them as well, and shortly extended to include Omaha and Council Bluffs.

Congestion Shifts With the Harvest

The result was a flattening out of the rail movement. Wheat piled up on the ground, and the number of blocked elevators rose, not from lack of cars, but because of the shortage of available terminal storage to which the grain could be shipped. However, the drop in carloadings enabled the railroads to shift their attention to the Northwest, where the movement of the spring wheat crop was impending, and to build up a car supply that carried the northern lines through the harvest period without the severe car shortages that accompanied the spring wheat harvest in 1947. With adequate storage capacity available at Minneapolis and Duluth-Superior, and a fairly steady flow of grain from the country, no

terminal or storage difficulties were encountered in the Northwest. There were some car shortages, mostly limited to southwestern North Dakota, northwestern South Dakota, and a few counties in eastern Montana, Since mid-September, grain loadings on northwestern lines have been substantially below those of the same period last year.

In the meantime, boxcar requirements of the Northwest again caused a tightening in the car supply on southwestern roads even though loadings were down on the latter, but the cars available were sufficient to work off the distress grain that was suitable for transportation.

Car Requirements of Corn and Soybeans

The soybean and corn harvests in central States, and cutting of sorghum grains in the Southwest followed, each requiring the shifting of empty boxcar equipment to meet the demands. At the time this is written, in early November, the corn and sorghum grain movements have brought grain car loadings to the highest level since the first week in August, very nearly a record for this time of year. Even so, there are still unsatisfied demands for cars, particularly in southwest Kansas, the panhandles of Oklahoma and Texas, and the corn belt. Urgent complaints of such car shortages are now being handled with the railroads.

So much for the past and present, but how about the future? Well, let's take a look at what the situation is now, make a few assumptions, and see where we come out.

The Bureau of Agricultural Economics estimates that October 1 stocks of all grain in all positions in the States of Nebraska, Colorado, Kansas, Oklahoma, Texas, North Dakota, South Dakota, and Montana were 1,120 million bushels against 1,176 million the previous year. This does not include any new crop corn, and the total grain for potential movement will also include grain sorghums and soybeans harvested after October 1.

Leaving the new crop corn movement out of consideration for the moment, it appears that the marketings of other grains should be not much less than a year earlier. If they should follow the pattern of average movement between now and the next harvest, there is not likely to be much trouble in the way of car shortages, barring unusually severe winter weather that might block lines and interfere with operations. However, grain loadings in individual years rarely follow a normal marketing pattern outside of the harvest peaks. So, there may be some concentration of demand for cars, in which case shortages of limited duration will develop. The severity will depend upon the strength of the demand and what happens in the marketing of corn, which will compete for equipment.

Corn Movements May Be Heavier

How the new crop corn will move after the first of the year is difficult to estimate. Very likely the demand for movement will vary from one area to another, influenced by the desire and ability of farmers to

hold the corn on farms, quality of the storage in which it is held and condition of the grain. Most corn, of course, stays on the farm where it is grown, but in view of the size of the crop and the apparent demand for export, the movement off farms should be heavier than normal.

On October 1, the Class I railroads of the country owned 730,967 boxcars, about 8,000 more than were in service on the same date last year. Only 21,647 new boxcars were on order for delivery during the fall, winter, and spring months--less than half of the 45,166 on order on October 1, 1947. With worn-out cars being retired at the rate of approximately 2,900 a month, it is evident that there is little improvement in car supply in prospect in the near future.

All in all, it appears that there will probably be some shortages of cars, possibly of some severity in late winter and early spring months if there should be a concentrated demand to move corn in danger of spoiling and to ship wheat to market, as has happened in some recent years.

Looking toward the new wheat crop of 1949, we must make some assumptions. If the crop is about the same size as was harvested in 1948, and similarly distributed, the period of tight car supply should be of relatively short duration. If the crop in the Southwest should be as large as the crop of 1947, look out for trouble. Further, the wartime heavy loading requirements of the Office of Defense Transportation which have been continued because of the shortage of cars, are due to expire February 28, 1949. Shippers are opposing any further extension, and if the orders are discontinued it may be expected that car shortage difficulties will be intensified next year. As to storage, if the farmers show the same tendency to move wheat to terminals for storage before and during the harvest, the experience of 1948 may be repeated and the problem will be greater if we get a bigger crop.

Farm Storage Is Needed

More good permanent storage capacity is needed for small grains on farms and in country elevators, particularly in the western parts of the high plains States and in Colorado where it is inadequate to take care of crops of the size we have been producing. However, that is also the area where lack of rainfall is likely to hit growing crops the hardest and may possibly cause crop failures in coming seasons. While there have been reports of some expansion of existing country elevator storage capacity and new elevators being built, the factor that will determine how nearly this need is satisfied will probably be whether those who have to provide the money to build the new storage think it will be a good investment over the coming years.

A recent study made by the Grain Branch of the Production and Marketing Administration also has indicated serious need for additional on-farm crib storage that will be adequate to meet corn loan requirements, and a concentrated drive to obtain it in time to house the current crop has been conducted through the Office of the Assistant Administrator for Production, and the State and county PMA offices.

Mohair Report

P. L. Slagsvold

In April 1947, mohair producers in Texas, the principal mohair producing State, were receiving approximately 65 cents a pound for adult mohair and 85 cents a pound for kid hair. In the spring of 1948, a year later, some sales were reported at prices as low as 38 cents a pound for adult mohair and 58 cents a pound for kid hair. To throw light on the causes of this slump in prices, the Livestock Branch of the Production and Marketing Administration made a preliminary survey of mohair production, consumption, imports, and prices paid for mohair during the last several years.

The Angora Goat Industry

Production of Angora goats, from which mohair is the chief source of income, is confined chiefly to three countries--the United States, Turkey, and the Union of South Africa. The United States has been the largest producer of the goats for 20 years. On April 1, 1940, according to the 1940 Census of Agriculture, angora goats and kids over 4 months old numbered 3,298,000. Of this total, 2,723,000 were in Texas, 138,000 in Arizona, 133,000 in New Mexico, 91,000 in Missouri, and 87,000 in Oregon.

The dominance of Texas in the production of these goats results from characteristics of the animal and certain natural resources of that State. The Edwards Plateau, center of Texas goat raising embraces about 40 counties in the south central part of the State. In this area are nearly half of the world's Angora goats. It is a land of rolling hills, covered to a considerable extent with brush, cedars, and live oaks. Some of the land is too rough and broken for sheep and cattle. The elevation is between 1,500 to 3,000 feet, and the area receives from 15 to 25 inches of rainfall annually. Much of the land in this area is ideally suited for Angora goats, which feed primarily on brouse and secondarily on grass and weeds. The Angora goat is valuable not only for its fleece and its meat, but also for its ability to utilize land that otherwise would be worth little.

Mohair and Its Production

Mohair, chief source of income from these goats, is a specialty instead of a basic fiber because the demand for it depends to a large extent on trends in style. Its most popular uses are in pile fabrics for upholstery, in knitting yarns, and in woolen and worsted clothing fabrics. Factors that make mohair an important textile fiber are luster, length, strength, and dyeing qualities. It is somewhat coarser than wool, and its surface scales, pointed and partially overlapping, produce a smoother surface than wool fiber, but make it somewhat slippery and more difficult to spin and weave than wool.

The expansion period of the U. S. mohair industry, between 1920 and

1940, was partly the result of expansion in the automobile industry--particularly the development of closed cars. To be sure, there was a dropping off in mohair production during these two decades--between 1931 and 1936. But thereafter, except for a slight dip in 1942 and 1943, it rose steadily to a peak in 1945 of more than 22 million grease pounds. In 1946 and 1947 production dropped sharply, and a still greater decrease is indicated for 1948.

Mohair Marketing

Methods of shearing mohair and preparing it for market differ in various sections of the country. On the Pacific coast and in the farm States of the Midwest, goats are usually shorn once a year. Some "6-months" mohair is marketed in Oregon, but owing to the relatively cold climate the goats are generally not shorn until they are at least a year old. As a rule, the entire clip is bagged together and sold at a flat price.

In the Southwest, because of the warm weather, the goats are shorn twice a year. In New Mexico and Arizona, growers ordinarily bag kid and adult mohair separately, but they do not differentiate between fall and spring kid mohair or between yearling mohair and adult and kid mohair.

In Texas, breeding occurs during October and November. The kids are born early in the spring. The first shearing comes in the fall, when the kid is 6 or 7 months old. The hair from this shearing, known as fall kid, is the finest type produced. The next shearing--the following spring, when the goat is about a year old--produces spring kid. Next fall, when the goat is 1-1/2 years old, the product is known as yearling mohair. Beginning with the fourth shearing, mohair is classified as adult.

Sold on Consignment

Outside the Southwest, in areas where little mohair is produced, growers usually sell directly to country buyers or assemblers, who concentrate the hair in their own warehouses or ship it to central markets where it is stored, sorted, and sold to manufacturers. In the Southwest, most mohair is handled by the local wool warehousemen on a commission basis. In recent years, California mohair producers have tended increasingly to ship their mohair to Texas handlers on consignment. In Texas, the bulk of mohair is handled on consignment by local warehousemen, who charge a commission, usually 1 cent a pound, for storage, insurance, and selling. Some small growers sell their clips directly to the warehousemen, who resell it for their own account.

Most mohair is purchased from the warehouse by dealers located in Boston and Philadelphia, although a good deal of it sells directly to mills, through brokers or order buyers. In seasons of good demand, the buyers may go directly to the growers and contract for the mohair before it is shorn. But this is a highly speculative practice not favored by Texas warehousemen, who observe it only to compete with out-of-town buyers.

The three principal ways in which Texas mohair is offered for sale by warehousemen are (1) in the original bag, (2) graded, and (3) sorted.

By far the most important method of marketing raw mohair is in the original bag. Original-bag Texas mohair is divided into the four classes --fall kid, spring kid, yearling, and adult. Buyers tend to offer a flat price for all the mohair in each classification, regardless of quality differences between clips of individual producers. Discounts are made if the hair is poorly packed, contains excessive dirt, oil, and burrs, or if it is very "kempy" (contains short, coarse fibers). Unless defects are marked, the hair will usually command the prevailing price. In the cases where buyers wish to choose the better lots in the warehouse, the warehousemen frequently decline to permit it. They have to "tie" together the sales of low-quality and high-quality hair, they say.

Very Little Marketed on Merit

Many disadvantages of marketing mohair by the original-bag method have been recognized for years. One is that it works a hardship on the producer of high-quality mohair. As long as a quarter of a century ago the Department of Agriculture began a program to promote an interest in grading and in improving the packaging of mohair. The Texas Mohair Grading Committee, an organization of growers and warehousemen, is conducting a mohair grading program which has been at least partly successful in enabling growers to market mohair on its merits. From half to more than a million pounds of Texas mohair have been graded annually since this program was initiated several years ago.

The Texas Mohair Grading Committee and several independent warehousemen in Texas and Oregon have marketed some mohair on a sorted basis. But at present very little mohair is being sorted, owing to the slow market and to objections from some manufacturers and dealers. The practice of sorting in Texas warehouses, even though the work is done by fully qualified sorters from New England mills, has been opposed by dealers and mills on the ground that they prefer to do their own sorting and blending.

After purchasing mohair from a warehouseman, a dealer generally ships it to an eastern warehouse. At least 90 percent of the mohair goes directly to Boston or vicinity. Afterwards it is sold to a mill in the original bag or on a sorted basis, or it may be combed and sold in the form of tops.

Utilization and Demand

The major factor responsible for the recent slump in mohair sales is a decrease in demand for mohair for use in its chief end-products, such as automobile and furniture upholstery fabrics. This seems to be principally the result of changes in consumer preference, of resistance to increasing costs, and of the development of synthetic fiber substitutes and the use of cheap imported wool. A contributing reason for the loss of some of the outlets for raw mohair appears to be the decline in

the quality of the clip. If growers produced the name grade of mohair they produced 20 years ago, the demand for their product might be stronger and less fluctuating.

Mohair is used in a variety of fabrics, some made from yarns spun on the worsted system and some spun on the woolen system. Fabrics made on the worsted system consist largely of worsted wearing apparel and of upholstery materials for automobiles, furniture, railway passenger cars, buses, and airplanes.

Use in Automobiles Declining

Automobile upholstery was the greatest single outlet up to 1942. Until that year most automobiles were upholstered with some type of mohair fabric, generally of 100 percent mohair pile, recognized for its durability and appearance. A principal consumer objection to it has been that it is not as cool as some substitutes and that women sometimes find the prickly pile uncomfortable when they are wearing lightweight or sheer clothing. Today most automobile upholstery is being manufactured from plain woolen fabrics, with only a small mohair content.

There are other reasons for the change away from mohair in automobile manufacture. Increased production costs have forced the manufacturers to cut costs of materials wherever possible. Again, the sellers' market has enabled automobile dealers to market cars easily, regardless of any specific upholstery preferences that consumers may have. Finally, the increasing uses of readily installed seatcovers has made it less important what type of upholstery is used.

A well-developed promotion program might result in stimulating the uses of mohair. Such a program would involve a great deal of time and money, and could succeed only if it had the whole-hearted cooperation of growers, warehousemen, and dealers. Mohair has certain desirable qualities which, under favorable industrial conditions, result in an active demand for it--but manufacturers can get along without it. So manufacturers have little incentive to spend money on promotional campaigns to stimulate consumer demand and strengthen the mohair market. The growers themselves will have to take on that job, if it is to be done.

Demand Is Unstable

Even if mohair consumption increases, the report of the PMA survey says, current production appears to be adequate to fill the foreseeable demand for mohair at current price levels, especially in view of the potential competition from synthetic fibers. As a specialty fiber, mohair always has been subject to periodic market irregularities more pronounced than those for wool or some other fibers. It would appear that mohair is now in one of its several characteristic periods of decreased demand. Additional research in fiber grades and technology, better marketing methods, improved quality, and new uses and markets for mohair blends and fabrics may be necessary if consumption is to be raised and kept at a level that will make unnecessary a further decrease in the number of Angora goats in this country.

Tobacco Inspectors Are Made

By Charles H. Bernhard

Good tobacco men are made and not born, but it helps a lot if you first see daylight on a tobacco farm and you're raised with the weed. If you know the leaf from the ground up, tobacco will mean a lot more to you than the difference in brand slogans or statistics on hogsheads.

This is the firm belief of W. R. "Bill" Wilson, veteran tobacco inspector of the U. S. Department of Agriculture's Tobacco Branch. Mr. Wilson, or "Bill" as he is known to buyers and hundreds of farmers, is now district supervisor for the entire flue-cured area that includes Virginia, North and South Carolina, Georgia, and Florida.

Bill, who was born on a tobacco farm in Charlotte County, Va., in 1894, has never been very far from the golden crop. After graduating from local schools, he studied at Richmond College and then went to work as a buyer for an independent tobacco company.

As a young fellow he got to know the production side of it as only the son of a tobacco farmer can. And ever since, he has been watching the leaf come to market--helping in grading it, passing on vital price information to farmers, and participating in the demonstration work that improves tobacco quality.

The Service Comes First

When the inspection service was sprouting in 1929 Bill was one of the very first in its handful of 25 Federal tobacco inspectors. Today the staff of over 400 inspectors knows that it owes its professional reputation to the efficient functioning of the service. For that reason, Bill, like his colleagues, would rather talk about it and its benefits to the Nation's buyers and producers of flue-cured, burley, fire-cured, and dark air-cured tobaccos.

Today, the Federal inspection service, for the first time since its establishment on a free basis in 1935, is active in all of the 153 auction markets on which an estimated one and one-half billion pounds of tobacco will be sold this year. In 1935, only 18 markets had the service and approximately 80 million pounds were marketed on them. Since regulations stipulate that Federal inspection can be extended to a market only when at least two-thirds of the growers involved vote favorably, these figures are indicative of the general confidence felt in the market services.

During the 10 years that he served as inspector prior to his appointment as district supervisor in 1939, Bill participated in the grading of an estimated 5,000,000 pounds of tobacco a year. That's a lot of tobacco--more than 2,000,000 folks can smoke, chew or snuff in the course of a year at the average rate of consumption. But even so, it represents the work of a fairly typical inspector. All of them share

the central job of grading the tobacco marketed at auction sales according to the standards of the USDA. And since there are about 120 grades of flue-cured alone each inspector must know his tobacco.

Tobacco men know that grading is one of the devices that contributes to the orderly marketing of the crop. Once grades are assigned to the tobacco on the auction floor, it is easier for the buyer to locate desired qualities and the grower to determine what constitutes the current price for his leaf. Tobacco grades become the marketing basis, and as such, the base to which USDA support prices are tied. Loans of the Commodity Credit Corporation are also made on the basis of tobacco grades. Thus, the central importance of grading shows why the selection of the Bill Wilsons is a matter of fundamental concern to grower and buyer alike.

All of the inspectors--including those early, pre-Tobacco Inspection Act appointees--were required to take a Civil Service examination after 1935. If they passed this examination--and previous experience in growing or buying tobacco weigh most heavily with the Commission--their names were entered on a register in the order of the grades they received on the test. Officials of the Tobacco Branch then chose the men in the order of their Civil Service rating as job openings materialized.

Inspectors Tested Regularly

But the graders soon discovered that the Government's interest in selecting and retaining the best possible qualified men for the inspection work on auction markets did not stop with satisfying the requirements of the Civil Service Commission. To make sure that its inspectors continued to retain and develop grading efficiency, the Tobacco Branch set up its own testing system. And since grading is the core of the inspector's work, these USDA examinations reflected this in a very practical way.

After each of the applicants are appointed, the Tobacco Branch calls him up for a grading test. Inspectors of flue-cured types are tested at the Branch's Raleigh, N. C., laboratory; burley inspectors at Lexington, Ky.; and fire-cured and dark air-cured at Clarksville, Tenn.

The Branch test would likely trip up the "fair-to-middlin" tobacco man and be absolutely incomprehensible to a person whose tobacco savvy is limited to a preference between standard and king-sized cigarettes. The inspector being tested is confronted by huge stacks of tobacco samples of the 100 or more grades of tobacco, and is required to identify each sample by grade. Most of the graders are able to make high scores on this test, but some of the men fall below the minimum passing score. When this happens, promotions are delayed and dismissal papers may be in order.

To further strengthen the inspection service, M. I. "Mac" Dunn, Chief of the inspection service in the Tobacco Branch, and also one of the first inspectors, devised what are known as "refresher courses." Brief in duration, these sessions cover the full range of developments

in the tobacco picture including discussions of crop quality and ways in which the inspectors can be of assistance to growers in improving it. The order of attendance is staggered to permit every man to go to a "refresher course" every three years.

In order to eliminate the possibility that personal associations might have any effect on the work of the inspector, the Tobacco Branch has made it a policy to assign inspectors to work areas away from their homes.

News Service Is Practical

All of the men in the grading service have close working relations with another service of the Tobacco Branch which ties in with their job--the market news service. This makes it possible for every grower--each of the 700,000--to get a report of current prices that are being offered for his grades of tobacco. This information is made available to growers after the tobacco brought in to the market has been inspected as to grade, and before the start of the auction. Thus, the farmer has the market news price report for his grades of tobacco and he can make up his mind to do one of three things open to him--he can accept the bid price that will be offered, he can reject the bid and reoffer his tobacco at later auction, or he can accept the price support contained in the CCC loan rate.

Price information of this nature, plus timely market advice to growers, is also sent out by mail and carried in newspapers and radio. Market news personnel gather this information with the aid of State Departments of Markets in many of the tobacco States.

The very real and practical nature of these services rendered when and where they count--during the marketing season and on the floor of each of the 153 auction markets--appeals to the practical inspectors. Others, who take the long-range view are also attracted by another part of their job. This is the demonstration work that is carried on with growers through the cooperation of the Extension Service and the vocational agricultural people.

"Swapping News and Views"

"Demonstration work" is in reality a form of "swapping news and views with farmers." But whatever you call it, this activity has certainly helped the grower improve his pre-market sorting and classing of tobacco into standard grades. It involves practical discussions with farmers, usually in their barns where the inspector can handle the tobacco, identify it by grade, and discuss its commercial possibilities. Generally the county agent or "vo-ag" man is along to help on growing problems.

All told, over 1,000 of these sessions were held in the tobacco belt last year with more than 16,000 growers in attendance. These figures help convince the inspectors that their work adds up in a way that all tobacco men--those who were both born and trained--will understand.

Cotton.--Announcement has been made that no cotton marketing quotas will be proclaimed for the 1949-50 marketing year (1949) crop because the "total supply," as defined by the controlling legislation, of American cotton is less than the amount which would make quotas mandatory. Under terms of the Agricultural Adjustment Act of 1938, as amended, the Secretary is directed to proclaim cotton marketing quotas for the 1949-50 marketing year before November 15, 1948, if he determines that the "total supply" for the 1948-49 marketing year exceeds the "normal supply" by more than 7 percent. In the absence of such determination, quotas are not required.

Dairy Products.--USDA recently announced that it had denied the request of producers supplying the Fall River, Massachusetts, milk market for an increase in the Class 1, (fluid milk) price established by the pricing formula adopted April 1, 1948 for that market. The producer's request was based specifically on (1) the general shortage of milk for fluid needs in southern New England markets, (2) competition of neighboring markets for Fall River milk supplies, and (3) added costs of supplying the market's regular supplies by shipping milk from more distant sources. USDA's denial was based on its finding that prices established by the current formula will maintain an adequate supply of milk for the Fall River market during the rest of this year.

Fruits and Vegetables.--USDA announced October 15 that it does not plan to support the price of 1948-crop pecans through a loan program requested by growers. The Department pointed out that under existing legislation it must give consideration to the ability to dispose of stocks acquired through a permissive price support operation. Outlets for the quantity of pecans which might be acquired through the proposed program are very limited. In past instances has been unable to furnish direct price support assistance to producers of other non-basic and non-Steagall crops for the same reason.

Grain and Grain Products.--October-December 1948 export allocations of 5,000,000 bushels of soybeans were announced October 19 by USDA. This is in addition to 2,835,833 bushels of soybeans included in the regular fourth quarter fats and oils allocations announced earlier. Recipients of the new allocation are Bizone Germany and Japan (2,745,000) bushels, the Netherlands (474,000), France (1,667,000) and the Philippines (114,000). CCC will buy the soybeans for Bizone Germany and Japan, while the portions for the Netherlands, France, and the Philippines will be bought commercially.... October 15 USDA announced sales of approximately 840,000 pounds of flax fiber from stocks acquired by CCC under its price-support program for 1946 and earlier. Remaining CCC stocks total approximately 600,000 pounds....Virginia has been taken out of the corn loan area and put into the area for purchase agreements only for 1948-corn crop price support according to a PMA announcement of October 21. The change has been made in view of the limited storage facilities in Virginia, and also to permit earlier delivery to the CCC under the price support program. This will enable producers to clear their bins for storage of early-harvested 1949-crop grain....A 1949-crop price sup-

port of not less than 90 percent of parity price at the beginning of the marketing year for flaxseed (July 1, 1949) was announced October 21 by PMA. The actual support level will be announced later. The 1948-crop is being supported at $6 per bushel, Minneapolis basis, U.S. No. 1 flaxseed, or approximately 135 percent of present parity, the level which was set to encourage increased production of linseed oil. Under provisions of the Agricultural Act of 1948, the price of flaxseed during 1949 must be supported at not less than 60 percent of parity, nor more than the level of support which prevails in 1948. Today's announcement assures flaxseed growers that the 1949 support level will not be less than 90 percent of the parity price....USDA loans to producers on 1948-crop dry beans which are stored in approved warehouses and for which the warehousemen guarantee quality and quantity will be made at the full support price instead of at the initial advance of $5 per 100 pounds. The support prices for the various classes of U.S. No. 1 beans per 100 pounds net weight cleaned and bagged f.o.b. country points are as follows: Pea and Medium White $8.10; Great Northern $7.70 to $7.95; Small White and Flat Small White $8.30; Light Red Kidney, Dark Red Kidney, and Western Red Kidney $9.60; Pinto $8.20 to $8.45; Cranberry $8.95; Pink $8.40; Small Red $7.95; Baby Lima $8.35; and Standard Lima $9.95.

Livestock.--USDA announced in mid-October that the Commodity Credit Corporation had reduced sales prices of its stocks of older wools acquired under 1943 to 1945 price support programs. The action, effective October 18, is in line with USDA's policy to expedite the movement of older wools into trade channels and does not affect sales prices of 1946 to 1948 wools owned by CCC. The price reductions are confined to wools of the 1943 to 1945 programs, and are graduated in accordance with the age of the wools--8 cents a per clean or scoured pound basis on program wools of 1943 and 1944, and 5 cents for 1945 wools.

Poultry.--USDA will continue, for November and December, to support egg prices in the Midwest at levels reflecting an average price to producers of at least 35 cents a dozen for shell eggs--the same as the May-October period price. Vendors who sell dried eggs to the Department under its current price support program must certify that they have paid this price to producers for all shell eggs they buy....USDA in mid-October increased the quantity of dried eggs it is offering for sale for export to a total of 3,000,000 pounds. Of the original offer of 1,000,000 pounds sales totaling 639,229 pounds have been completed. The dried eggs offered for export represent a part of the total quantity bought so far this year by CCC through mandatory price support purchases in the midwest surplus producing area.

Sugar.--The "fair price" condition under which producer-processors of 1948 crop sugar beets will be eligible for Government payments under the Sugar Act of 1948 has been announced. Prices no lower than those provided for in the 1948 crop purchase contract between a producer-processor and a producer shall be used as a basis for settlement for sugar beets purchased from a producer and processed by the producer-processor....USDA announced October 14 that the 1948 raw sugar quota for Puerto Rico for consumption in the continental United States has been filled to the extent that certification is required to maintain effective quota control.

The following addresses, statements, and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C.

Addresses and Statements:

A Better Agriculture--A Better World, by Charles F. Brannan, Secretary of Agriculture, at LaCrosse, Wis. October 18, 1948. 10 pp. (Processed)

The Public Stake in Feed and Grain, by Charles F. Brannan, Secretary of Agriculture, at Chicago, Ill. October 1, 1948. 10 pp. (Processed)

A Look at Grain and Feed Prospects, by Ralph S. Trigg, Administrator of PMA, at Albuquerque, N. M. October 18, 1948. 9 pp. (Processed)

Publications:

Consumer Guide for Buying and Keeping Eggs. (PMA) AIS-77. November 1948. 4 pp. (Printed)

Know the Eggs You Buy. (A poster in color showing differences in size and interior quality of eggs graded on the basis of U.S.standards). (PMA) June 1948. (Printed)

Marketing Northwestern Potatoes: Summary of the 1947-48 Season, Oregon, Washington, Idaho. (PMA) July 1948. 24 pp. (Processed)

Interpretations of the Regulations for the Enforcement of the Federal Insecticide, Fungicide, and Rodenticide Act. (PMA) SRA-167. August 1948. 52 pp. (Printed)

Market News Service on Fruits and Vegetables: Marketing Texas Citrus, Lower Rio Grande Valley of Texas, Summary of 1947-48 Season. (PMA) October 1948. 36 pp. (Processed)

A Survey of the Capacity of Cold Storage Warehouses in the United States, as of October 1947. (PMA) September 1948. 33 pp. (Processed)

Performance and Adaptability of Three Types of Air-Permeability Instruments for Measuring Fineness of Fibres in Cotton Samples. (PMA) August 1948. 46 pp. (Processed)

Carlot Shipments of Fruits and Vegetables by Commodities, Counties and Stations, Including Boat Shipments Reduced to Carlot Equivalents. Calendar Year 1947. (PMA) July 1948. 51 pp. (Processed)

Agricultural Economic and Statistical Publications. (Bureau of Agricultural Economics) July 1948. 54 pp. (Processed)